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10 February 1958

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Dear Dan:

The Communications Division forecast of rates for Overhead and General and Administrative Expense for the calendar year 1958 are as follows:

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	<u>R & D</u>	<u>Pilot Line</u>
Overhead		
G. & A		

As in 1957, the General and Administrative Expense consists of Division Administrative Expense applied to the total of Direct Labor, Overhead and Other Direct Costs, and Corporation General and Administrative Expense applied to the total Division Cost of Sales including Division Administrative Expense. The forecasts of Overhead Expenses by quarters vary some, but generally indicate fairly stable Overhead Rates during the year. The same is true for Division Administrative Expense. Corporation General and Administrative Expense, however, is expected to be higher in the first part of the year than the latter part due to the expectation that the Cost of Sales base will be increasing during the year. For these reasons, provisional billing rates for the first quarter of 1958 have been requested and approved by the Resident Air Force Administrative Contracting Officer as follows:

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	<u>R & D</u>	<u>Pilot Line</u>
Overhead		
G & A		

It is planned that adjustments to these rates will be requested as circumstances dictate to maintain billing rates consistent with actual expense.

Attached is a copy of the letter in which the Administrative Contracting Officer approved the above rates for the Communications Division and which indicates the rates also approved for the other Divisions of The Ramo-Wooldridge Corporation. The Communications Division will commence using these rates with the first vouchers submitted for costs incurred in 1958.

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Sincerely,

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Sid

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Letter dated January 17, 1958 from